

DEC 30 1967

## SECRET FUNDING WILL END TODAY

Government Meets Deadline  
Set by Johnson Panel

By PETER GROSE

Special to The New York Times

WASHINGTON, Dec. 29—

Secret funding operations by United States Government agencies for educational and private organizations will be terminated by tomorrow, the State Department said today.

Lump sums of unspecified amounts have been given to some organizations to help tide them over the period of transition from Government to private financing, said Robert J. McCloskey, Deputy Assistant Secretary for Public Affairs.

A special committee headed by Secretary of State Dean Rusk has failed to reach agreement on means of open public financing, but the Government is continuing to study such alternatives, Mr. McCloskey said.

The disclosures that the National Student Association and other private groups had for many years received money from the Central Intelligence Agency to support their overseas activities were made early this year by Ramparts magazine.

### Itemization Declined

An intricate web of interlocking foundations and other sources of funds then came to light, involving many private organizations whose officers had not been aware that some of their support was coming from the C.I.A.

Mr. McCloskey declined to itemize any of the financial support programs being terminated.

"The particular organizations which have received covert financial support in the past are not being identified," he said, "because to do so would not be in the national interest and might jeopardize their chances of developing new means of support."

Referring to previous Government statements, he said that the number of organizations that received intelligence agency funds was a "very, very small percentage of the 1,000 or more private groups involved in overseas activities."

### Recommendation Followed

The termination of covert funding programs was one of the recommendations of a Presidential committee headed by the Under Secretary of State, Nicholas deB. Katzenbach. The panel also consisted of John W. Gardner, Secretary of Health, Education and Welfare, and Richard Helms, Director of Central Intelligence.

In its report to President Johnson on March 29, the committee said:

"We expect that the process of termination can be largely—perhaps entirely—completed by Dec. 31, 1967."

The committee added that in the phasing out process, care should be taken to avoid "destroying valuable private organizations before they can seek new means of support."

"Now, in fact, the target date has been met," Mr. McCloskey said. "Covert financial support will in every instance be discontinued prior to Dec. 31, 1967."

"At the time of termination of support, some of the organizations received contributions to tide them over the period required to develop new sources of funds."